



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0202	Title:	Allow for optional DUI prevention contribution on vehicle registration form
Primary Sponsor:	Bennett, Bryce	Status:	As Introduced

- ☐ Significant Local Gov Impact
 ☒ Needs to be included in HB 2
 ☐ Technical Concerns
☐ Included in the Executive Budget
 ☐ Significant Long-Term Impacts
 ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$58,500	\$54,000	\$54,540	\$55,085
State Special Revenue	\$81,301	\$121,956	\$125,445	\$128,294
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$42,301	\$85,956	\$89,085	\$91,570
Net Impact-General Fund Balance:	<u>(\$58,500)</u>	<u>(\$54,000)</u>	<u>(\$54,540)</u>	<u>(\$55,085)</u>

Description of fiscal impact: HB 202 creates a state special revenue fund to be used for statewide drinking and driving prevention programs or county drinking and driving prevention programs, funded with a new opt-in donation of \$1. This will require re-programming of the current Montana Enhanced Licensing and Registration System (MERLIN) to include a redesign and expansion of the registration card to include new language allowing a person to opt-in to donate \$1 to fund these programs.

FISCAL ANALYSIS

Assumptions:

Department of Justice

- HB 202 creates a new \$1 opt-in donation to fund statewide drinking and driving prevention programs or county drinking and driving programs established under 61-2-106, MCA. The effective date is 1/1/2016.
- A new motor registration renewal card using a larger format will be necessary. The Department of Justice (DOJ) will be required to transition to an 8.5" by 11" Z fold pressure seal form as compared to the current C fold pressure seal form.
- The cost of the new larger form and the associated mailing expense for the larger form will need to be negotiated. For purposes of this analysis, the annual cost is estimated to be \$90,000 for 1,500,000 registration renewal mailings per year (1,500,000 renewals x \$.06 per form), which is funded 60% general

fund and 40% state special revenue (Highways – Gas Tax). Due to the effective date, only 750,000 forms will be created and mailed in FY 2016 at a cost of \$45,000 (half year).

4. In order to add the necessary language and a new donation line to the renewal card, additional programming and a redesign will need to be made by the vendor. This will be a one-time expenditure in FY 2016 in the amount of \$50,000 which is funded 60% general fund and 40% state special revenue (Highways – Gas Tax).
5. The MERLIN system will require reconfiguration, including adding the new opt-in donation to the registration screens, updating the SABHRS and renewal card interfaces with the new opt-in donation code, and updating the web registration renewal with the new opt-in donation code. It is estimated that reconfiguration of the MERLIN system will cost \$2,750. This will be a one-time expenditure in FY 2016 and is funded 60% general and 40% state special revenue (Highways – Gas Tax).
6. It is assumed that the participation rate for the new opt-in donation will be similar to other current opt-in donations including promotion of awareness and education efforts for procurement of organ and tissue donations (81,996 opt-ins in FY 2014) and education on traumatic brain injury donations (81,835 opt-ins in FY 2014). Due to the effective date, opt-in donations for statewide drinking and driving prevention FY 2016 are estimated to be 42,301 (half year).
7. Additional revenue from the new opt-in donation will be realized beginning in FY 2016. Revenue from this opt-in donation is increased at the same percentage as overall motor vehicle taxes in HJR 2; 1.16% in FY 2017, 3.64% in FY 2018, and 2.79% in FY 2019.
8. Expenditures are inflated by 1.5% in the 2019 biennium.

Department of Transportation

9. Additional revenue resulting from the new opt-in donation is to be used by the Montana Department of Transportation (MDT) for funding statewide drinking and driving prevention programs or county drinking and driving prevention programs.
10. Counties with approved DUI Task Forces will be eligible for the funding, and most counties have an approved DUI Task Force currently working with MDT's DUI license reinstatement fee program.
11. Collected revenues would be distributed out to these programs.

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$97,500	\$90,000	\$91,350	\$92,720
Grants (to Counties)	\$42,301	\$85,956	\$89,085	\$91,570
TOTAL Expenditures	\$139,801	\$175,956	\$180,435	\$184,290
<u>Funding of Expenditures:</u>				
General Fund (01)	\$58,500	\$54,000	\$54,540	\$55,085
State Special (Highways - Ga:	\$39,000	\$36,000	\$36,360	\$36,724
State Special (DUI Opt-In)	\$42,301	\$85,956	\$89,085	\$91,570
TOTAL Funding of Exp.	\$139,801	\$175,956	\$179,985	\$183,379
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$42,301	\$85,956	\$89,085	\$91,570
TOTAL Revenues	\$42,301	\$85,956	\$89,085	\$91,570
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$58,500)	(\$54,000)	(\$54,540)	(\$55,085)
State Special Revenue (02)	(\$39,000)	(\$36,000)	(\$36,360)	(\$36,723)

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date